

Rabin says Syria may cut forces

Post Defence Reporter
TEL AVIV. — Defence Minister Yitzhak Rabin said last night he believed Syria was about to cut the size of its standing ground forces. That, he indicated, will permit Israel to take the risk of trimming the size of the IDF and investing more in long-term development.

Appearing on TV's *Moked* interview programme, Rabin said Syria's economic difficulties had led it to trim some of its existing ground forces into reserve units and "mothball" others. Syria had previously sought to build up its armed forces to attain strategic parity with Israel.

Additional factors that would allow the IDF to trim its size, Rabin said, were continuing peace with Egypt and the continuation of the Iran-Iraq war.

Asked about possible American action in Lebanon, Rabin said he did not believe the large U.S. force off the Lebanese coast would try to free the American hostages, because he doubted the Americans knew exactly



Prime Minister Shimon Peres and Betar Jerusalem captain Uri Malmilian at a basketball game at Jerusalem basketball stadium. (Rahamim Israeli)

Likud in urgent bid to settle budget row

By ASHER WALLFISH and DVORAH GETZLER
Post Knesset Staff

Likud ministers are to meet urgently, possibly today, with their Knesset faction colleagues in an attempt to contain a budget row with Labour that is straining the national unity government coalition.

The ministers' decision, taken last night, followed a Likud faction revolt against Finance Minister Moshe Nissim that stopped the budget process in its tracks yesterday as the party's MKs tried to squeeze NIS 200 million from the Treasury for settlements in Judea and Samaria.

NIS 40m. must be made available immediately, the faction demanded of Nissim.

But that was a violation of the agreement worked out on Tuesday night, the Alignment retorted.

That arrangement provided for a rescheduling of the debts of the United Kibbutz Movement, in return for which Labour promised it would vote for the budget and for any future aid proposals submitted by the government, after the budget is approved.

Late last night, Avraham Shapira (Agudat Yisrael), chairman of the Knesset Finance Committee, threatened not to let the budget go before the committee unless the Likud and Labour earmarked funds for yeshivot and other religious institutions.

"They are handing out money left and right to causes close to them," he said, "while the yeshivot face financial crisis."

Yesterday's Likud move was jumping the gun, from Labour's point of view. Thus, Labour refused to vote for the budget on its first reading, and the vote, at the end of a week-long debate in the plenum, was deferred until next week.

"This is anarchy," the Alignment's Moshe Shalut told his party colleagues, adding that "the UKM, a productive sector, is being held hostage to narrow political bargaining."

The UKM, it is felt in Labour, should not become an issue of politics. And that view seemed to be endorsed by Nissim earlier this week when he insisted that the kibbutz movement was as much a part of the national economy, and as deserving of aid, as any other.

A UKM representative at the Labour caucus meeting pointed out that the movement was not asking for funding. It was seeking a rescheduling of its NIS 266m. debt. That, he said, amounted to floating a share issue.

In Labour, there is professed amazement at the way the Likud faction is seeking to pressure Nissim. Such behaviour, Alignment leaders said, was contrary to all proper parliamentary procedures and Nissim had done well not to accede to vague and exaggerated financial claims.

Premier Yitzhak Shamir, it was (Continued on Page 2, Col. 3)

Build-up off Lebanon continues U.S. will protect interests

Compiled from reports by Wolf Blitzer in Washington, Vladimir Struminski in Bonn, David Horowitz in London, and Agency dispatches.

The Reagan administration yesterday tried to quell speculation about U.S. military action in Lebanon. But White House spokesman Martin Fitzwater did not rule out the possibility.

He noted that the dramatically expanded U.S. naval and Marine presence in the eastern Mediterranean in recent days was designed "to protect our strategic interests and to support our friends in the region."

He added: "But we would not urge you to jump to any conclusions about any other military activity... I was cautioning you to keep things in perspective, and I would continue that cautionary note."

The same cautious guidance was offered at the State Department, where spokesman Charles Redman refused to speculate about what he called military "scenario." But he did refer to "certain criteria" presented by Secretary of State George Shultz as necessary for U.S. military operations. "One of those criteria is that you attempt, to the maximum extent possible, to avoid injuring innocent bystanders," he said.

Administration officials said that they were clearly concerned that all the speculation of some sort of mili-



Terry Waite (AFP)



Mohammed Hamadi (AFP)

ary action in the international news media might endanger the U.S. and other foreign hostages in Lebanon. The kidnappers have threatened to kill them if the U.S. undertook some military action. One of those hostages, it now seems certain, is Terry Waite, the British church envoy who has reportedly been "tried" by an "Islamic Court."

There has been some suggestion in the American press over the past 24 hours of a possible Israeli air strike against terrorist targets in Lebanon. There have also been reports of close U.S.-Israeli intelligence cooperation and even operational coordination in the event of a military action.

U.S. and Israeli officials said they were exchanging information routinely. "We're doing the kinds of

things we always do," one U.S. official said.

Secretary of Defence Caspar Weinberger has reportedly become a stronger advocate of using direct U.S. military force in combating international terrorism. Reagan administration officials said yesterday that in recent weeks Weinberger had privately expressed a considerably greater readiness to unleash America's military power in trying to preempt and to disrupt terrorist operations. They said Weinberger was also becoming more convinced of the value of quick military retaliation.

"There's a whole different attitude in the Pentagon nowadays," one administration insider said, re-

calling the earlier reluctance of Weinberger and other military officials to use direct American force. In contrast, George Shultz has long advocated the use of military options if necessary.

The Pentagon, meanwhile, is continuing to build up U.S. forces in the Middle East, moving a second marine amphibious force from Spain to the Mediterranean, officials said. A Mediterranean "amphibious ready" group of about 1,900 Marines left Rota, Spain, early on Tuesday, doubling the total number of U.S. Marines deployed off Lebanon.

In Beirut yesterday, militia and religious sources said that Terry Waite was kidnapped by hostage-takers last month for failing to deliver on alleged promises. One source said he was "tried" by an Islamic court.

A senior militia official told Reuters in West Beirut that Waite was abducted by the captors of foreigners the church envoy had sought to free because of unfulfilled assurances he was alleged to have made over the fate of Arabs jailed in Kuwait.

A Moslem religious source said Waite was tried immediately after his abduction on January 20 for allegedly having failed in a pledge to secure more U.S. arms supplies to Iran. The source was not aware of any "sentence" passed on Waite.

The British government has given up hope of any action to help Waite. (Continued on page 7)

Raiders zero-in on 'pirate'

By JONATHAN KARP
For The Jerusalem Post

Two plainclothes policemen and a Communications Ministry official yesterday took along 10 journalists on an operation to close down a pirate radio station in Jerusalem.

After spending two hours collecting the necessary search warrants and coordinating plans, the officials proceeded to an apartment on Herzog St. and found a 16-year-old boy broadcasting from his bedroom. His equipment consisted of a microphone, a Sanyo radio and tape-recorder, and a transmitter the size of a cigarette box, comprising a circuit board and a 9-volt transistor battery.

A surprised Yitzhak Mizrahi said he had set up the radio station, known as Galei Hamusica, because he was interested in electronics. With an investment of NIS 25 for the transmitter and the help of his 22-year-old brother Nahum, who studied electronics in Denmark, Mizrahi began his daily five-hour music broadcasts about seven months ago at 97.2MHz on the FM dial.

The Communications Ministry, however, learned of Galei Hamusica only a week ago after being notified by Israel Radio: Moshe Tzines, head of operations in the licensing and engineering department, began to try to locate the source of the transmission.

Despite the equipment's simplicity and apparent low power output, Galei Hamusica's signal was picked up one day in Tel Aviv, Tzines said. He added, however, that it must have been an especially clear day, and that normally the station's signal would not carry more than 20-30 kilometres.

In her son's defence, Shulamit Mizrahi asserted that one could not even pick up Galei Hamusica in Beit Hakarem, on the other side of Jerusalem. Tzines said he had not determined how powerful Galei Hamusica's signal was. But he explained that regardless of the station's output, it was illegal because it was transmitting between 88MHz and 108MHz, the frequency range requiring an operating licence from the ministry.

According to a ministry spokesman, yesterday was the first time reporters had been invited to observe such an operation. For more than an hour, the reporters, who were not told of the precise location of the pirate station, waited at a designated meeting point and listened to Galei Hamusica.

The spokesman said that the police would confiscate the equipment, at least temporarily, and question Mizrahi. He said he doubted that Mizrahi would be formally charged by the police.



Yitzhak Mizrahi and the equipment he used for his pirate radio station, Galei Hamusica. The small white box between the two radios is the transmitter. (Isaac Harari)

Iran to free reporter

NICOSIA (AP). — American journalist Gerald Seib will be expelled from Tehran today, five days after being detained on allegations of spying. The Cairo-based *Wall Street Journal* correspondent was "permanently banned from returning to Iran," the Islamic Republic news agency reported.

The Iranian government provided no details of the investigation into Seib's activities. "After he was questioned the issue was clarified," Prime Minister Hussein Musavi told Tehran Radio, without elaborating.

But the pro-government *Kayhan* newspaper said yesterday that Seib had tried to get "detailed information about defensive positions and tactics" of Iranian forces on the warfront. The newspaper added: "If his journalistic character overshadows his spying activities, he should have the necessary immunity, because he has come here with our own authorization."

Seib was among 57 foreign correspondents invited to Iran last month for a battle-zone tour.

Mubarak calls referendum to dissolve parliament

CAIRO (AP). — President Hosni Mubarak issued a decree yesterday calling for a national referendum to dissolve parliament next Thursday.

Following the dissolution of parliament, new elections can be held under the revised election laws passed by the parliament — or People's Assembly — in December, 1986.

The revisions provide for representatives to be elected both as independent and on party lists. The old law, provided only places to party

list members. The amendments to Egypt's election code, approved by Mubarak on New Year's eve, had triggered questions as to the legitimacy of the present parliament.

Legal experts had insisted that without fresh elections, any action the parliament now takes is open to legal challenge. That would include parliament's nomination next August of a new president of the republic.

Rescue plan may destroy budget

By AVI TEMKIN
Post Economic Reporter

The Treasury fears that a compromise between the large parties on funding for bodies connected to them will wreck the state budget. Ministry officials said that some NIS 1.5 billion would be needed to finance a package deal that includes aid for moshavim, kibbutzim and West Bank settlements proposed by the Likud.

Not all of the NIS 1.5b. would

come from the budget, since part of the aid would be long-term loans linked to the Consumer Price Index and would be repaid with 8 per cent interest. Nevertheless, the Treasury heads were very concerned with the potential outcome of the current row between the Likud and Labour. "We hope Finance Minister Moshe Nissim will stand firm and will not give in," senior ministry officials said yesterday.

The officials said that in the com-

ing months there would be an urgent need to inject money into the defence industries, besides the figures being mentioned by the large parties. "A major crisis is threatening to erupt any minute in those industries. They are in very shaky financial condition, and nobody really knows how much will be needed to save them," they said.

Officials estimated that the moshavim may need hundreds of (Continued on Page 7)

Rosenne vows to help U.S. in Iran inquiry

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — The Israeli ambassador to the U.S., Meir Rosenne, yesterday promised a White House commission investigating the Iran arms affair that Israel would cooperate with it.

Rosenne was invited to the White House to appear before the commission, which is chaired by former Republican senator John Tower of

Texas. The other members of the panel are former Secretary of State Edmund Muskie and former national security adviser Brent Scowcroft.

Israeli officials indicated yesterday that they are prepared at this stage to respond in writing to prepared questions from the commission, but not to allow Israeli officials involved in the affair to appear in person.

Eban's panel supports gov't in Iran affair

By ASHER WALLFISH
Post Knesset Correspondent

A Knesset panel studying the issue of arms deliveries to Iran said yesterday there was no reason to question official Israeli statements on the issue.

The subcommittee of the Foreign Affairs and Defence Committee, chaired by Abba Eban, who also chairs the full committee, held its second closed-door meeting in two days and put out a rare announcement afterwards, the limited scope of which may have indicated the limited scope of its terms of reference.

The statement said: "In the course of its discussion on the cooperation

between the U.S. and the State of Israel relating to the delivery of arms to Iran, the subcommittee of the Foreign Affairs and Defence Committee heard statements yesterday and today from Dr. David Kimche and Mr. Amiram Nir.

The information received by the subcommittee gives no reason to question the government of Israel's statement on Israel's role in the various stages of this action.

"The subcommittee has not completed its discussion and it will hold further meetings in the near future." The announcement indicated that the Knesset body did take up the issue of Israeli arms sales to Iran (Continued on Back Page)

Arafat's aide arrives in Amman

Post Middle East Affairs Staff

Halil al-Wazir (Abu Jihad), a senior aide of PLO Chairman Yasser Arafat will arrive in Amman on Saturday for the first time since he was deported by the Jordanian authorities in July last year. Radio Monte Carlo reported last night.

He will head the PLO side of the Jordanian-Palestinian joint committee which is to resume its meetings in the Jordanian capital after a year-long lapse.

Al-Wazir is due in Algeria today from Tripoli where he met with Col. Muammar Gaddafi.

Probers report on cults

'Soul-traders abuse our laws,' MK says

By BERNARD JOSEPHS
Jerusalem Post Reporter

Demands for a tough new policy to crack down on mystic sects was made last night by an interministerial committee as it presented a 500-page report on cults to Education Minister Yitzhak Navon.

The investigators, who began their inquiry five years ago, declared that groups such as the Moonies and Scientologists present a serious threat to society.

They alleged that the leaders of even the most mystical groups are more concerned with divine profits than divine prophets — having amassed considerable wealth at the expense of

their followers and the state. "What is really going on in such sects is a form of dependence, bondage, self-enslavement and sometimes the handing over of an individual's property, too. The leaders are soul-traders who abuse our laws," the leader of the committee, MK Miriam Glazer-Ta'asa (Likud), said on Israel Radio last night.

But she was challenged by civil rights lawyer Avigdor Feldman, who represents the Black Hebrew sect. The report, he said, encourages "the persecution of those in our society who do not conform. The area of self-expression is one with which the law should not deal."

And he continued: "If a member of a cult

causes harm to someone, the case should be dealt with individually. It should not be a reason for cracking down on the group as a whole. One cannot generalize in such matters."

The inquiry team, set up in 1982 by then education minister Ze'ev Hammer, was charged with finding the reason for the growing popularity of cults and with seeking ways to check their progress.

It investigated 10 groups, including Scientology, est, Transcendental Meditation, the Unity Church ("Moonies"), the Divine Light Mission and Hare Krishna. A suggestion that they also look into the

activities of Jewish groups that encourage secular Jews to return to strict Orthodoxy was defeated on a majority vote by the committee.

The committee — which did not single out any of the groups for criticism — said that cult members faced the danger of being physically and psychologically cut off from mainstream society. Cult members were also robbed of their freedom of choice, the panel stated.

In some cases, it said, people found it difficult to leave such groups. Sect leaders took steps to prevent their followers from contacting friends and family, and people who did leave were pressured to rejoin.

(Continued on Page 2, Col. 2)

A big blow for smokers

By JUDY SIEGEL
Post Science and Health Reporter

The Health Ministry is to move today to make smoking illegal in all workplaces, meeting rooms and sports facilities in the country, except for small, restricted areas at each location.

The ministry believes the ban will go into effect within two or three months, after being approved by the Knesset Labour and Social Affairs Committee.

Health Minister Shoshana Arbeli-Almosino is to sub-

mit to the committee today an amendment to the addendum to existing legislation banning smoking in certain public places. The amendment will add to list of places where smoking is prohibited, which now includes buses, taxis and medical facilities.

The ministry's legal advisers have concluded that the sweeping amendment, which promises to change Israel's personal habits, can be passed into law by a majority of the committee; it does not require a majority vote of the Knesset plenum. (Continued on Page 2, Col. 3)

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House Demos demand test ban

WASHINGTON. — Democrats in the House of Representatives, responding to Tuesday's U.S. nuclear test, yesterday passed a resolution urging President Ronald Reagan to end the tests and to seek a test ban treaty with the Soviet Union.

"The nuclear test conducted by the administration on February 3 represents a severe setback for efforts to control nuclear arms and will further escalate the arms race between the United States and the Soviet Union," the resolution said.

House Democrats adopted the resolution unanimously by voice vote at a caucus meeting. Caucus chairman Richard Gephardt of Missouri told reporters at least 133 of the 257 House Democrats attended the meeting.

The vote is the opening round of what could turn into an arms control stand off between Congress and the president.

"The caucus calls on the president to postpone further such underground testing of nuclear weapons and urges he begin immediate negotiations with the Soviet Union to achieve a reciprocal, simultaneous and verifiable ban on nuclear weapons tests," the resolution said.

It called on House committees to refuse to approve funds needed to carry out further U.S. nuclear tests with a yield of more than one kiloton unless the Soviet Union resumes similar tests. The size of Tuesday's test was announced as less than 20 kilotons.

Gephardt said he hoped the House will pass legislation requiring the president to end nuclear testing. Reagan has said he will veto such legislation if it passes Congress.

In Geneva yesterday the top Soviet arms negotiator repeated that the Kremlin's 18-month-old moratorium on nuclear weapons tests could end with the next U.S. test blast.

"The button that triggers our nuclear test ranges is on the desk in the



A French underground nuclear test turns water white in the lagoon of Mururoa, in the South Pacific. The epicentre of the mid-1985 explosion is the dark spot in the centre of the picture. (AFP telephoto)

makes it imperative to recognize that security is indivisible," he said.

Vorontsov, who heads the Soviet delegation in talks with the U.S. on nuclear and space arms said the international conference this year will complete a convention banning the use, production and stockpiling of chemical weapons because "most of the fundamental issues" had been resolved. The U.S. maintains no ban is possible until agreement is reached on how to protect against cheating.

The Soviet Union announced late last year that it would end a test moratorium that began in August of 1985 when the U.S. conducted its first test in 1987. The Kremlin called on Washington to join the moratorium, but the Reagan administration refused, saying weapons tests were necessary and that a ban could not be adequately verified.

The Communist Party newspaper Pravda labelled the test an outrage carried out in defiance of warnings and popular opinion at a time when the Soviet Union had refrained from conducting nuclear explosions for 547 days.

The Reagan administration has rejected appeals by Gorbachev to join the moratorium on grounds that tests were needed to maintain and modernize its nuclear deterrent and that problems of verification remained.

Moscow has expressed its sharpest concern over the development of Reagan's Strategic Defence Initiative (SDI), or "star wars," programme for a space-based missile shield, saying continued U.S. testing will push the arms race into space.

It portrays a halt to testing as the first step toward disarmament, contends an abolition of nuclear weapons would make tests unnecessary and dismisses the verification claim as invalid given the sensitivity of modern seismic devices. (Reuters, AP)

White House. Deputy Foreign Minister Yuri Vorontsov said at the opening session of the 40-nation 1987 Geneva Disarmament conference.

Vorontsov said the Soviet Union would continue to press for "full-scale negotiations" whether or not

the U.S. conducted a test.

Vorontsov said the Soviet programme for economic reforms and "serious and profound democratization" launched by Kremlin leader Mikhail Gorbachev required peace and security. "Political realism in today's interdependent world...

S. Africa cinemas desegregate

JOHANNESBURG. — The only two cinemas in the conservative Transvaal mining town of Krugersdorp were being reopened yesterday after the town council voted to open the movie houses to all races.

Ster-Kinekor Corp., which controls the majority of drive-in theatres and cinemas in South Africa, had given Krugersdorp until the end of January to desegregate the two "white only" cinemas. Krugersdorp is about 40 kilometres west of Johannesburg.

The film distributor said it was under a May 1 deadline from its American suppliers to desegregate all screenings or face losing access to major U.S. films.

Three other Transvaal town councils recently have complied with

Ster-Kinekor's request for open cinemas, and Pretoria's council is still considering the matter.

Pretoria also is facing a deadline from Cinema International Corp., which owns more than 30 theatres in South Africa and is under a February 6 deadline from its U.S. film suppliers, mainly Warner Brothers, to desegregate. The theatre owners said they will close their cinemas unless the Pretoria city council meets the deadline.

At last week's meeting, the council refused to allow the issue to be discussed on the ground of a technical flaw.

The city has four cinemas operated by Ster-Kinekor.

In another development, the

South African government has again ruled out bringing blacks into parliament or an early end to the national state of emergency.

President P.W. Botha told the White House of Assembly on Tuesday night that the idea of a fourth chamber of parliament for representatives of the black majority was absurd.

Referring to black tribal and language differences, Botha said "If we want to create such a (Blacks') chamber, then we have to accommodate six or seven nations in it and that is absurd."

Botha indicated the government was at present prepared to offer blacks no more than a place in consultative bodies. (AP, Reuters)

India, Pakistan agree on pullback

NEW DELHI. — India and Pakistan signed an agreement late yesterday to reverse military buildups along their common border by pulling back troops to peacetime positions.

The two nations also pledged not to attack each other and exercise "maximum restraint and avoid all provocative actions along the border," officials said.

The agreement was signed on the fifth day of negotiations between senior foreign and defence officials of the two rival nations in New Delhi.

The accord, calling for withdrawal of border troops to normal peacetime locations within 15 days, was signed by Pakistan Foreign Secretary Abdul Sattar and Indian External Affairs Secretary Alfred Gonsalves.

The memorandum of understanding ends several weeks of confrontation between the two nations which

have fought three wars since independence from Britain in 1947.

Late last month, India put its northern forces on alert and charged that Pakistan was massing troops on the border. Pakistan said it was merely holding winter maneuvers but later accused India of moving forces to the frontier.

The border has been a touchstone of dispute since British officials partitioned their Indian empire into India and Pakistan.

Two of the three Indo-Pakistani wars have been fought over the disputed territory of Kashmir which currently is divided between the two countries.

India frequently has accused Pakistan of giving sanctuary and training to Sikh separatists who slip back and forth across the porous border between India's Punjab State and Pakistan's Punjab Province. (AP, Reuters)

India blocking Israeli entry to ping-pong meet

Post Diplomatic Correspondent

Israel's chances of competing in the world table tennis championships in New Delhi in two weeks' time have dimmed, despite appeals made by Israel to the U.S., West Germany, France and Britain to intercede with India to lift its tacit ban against the Israeli team.

The attempts over the last month to obtain visas from Indian legations in Europe have all been rejected; the Foreign Ministry has now learned that New Delhi issued specific instructions to all its legations to refrain from issuing such visas.

This runs counter to the assurance

given last year by the heads of the Indian Table Tennis Association that it would provide visas to all participating countries.

The four countries Israel has approached during the last fortnight have all responded positively to the appeal.

New York Times:

'King Fahd funded Contras in exchange for Awacs'

NEW YORK (Reuters). — King Fahd and top Saudi Arabian officials tried to funnel \$15 million to Nicaragua's Contra rebels in 1984 and 1985, The New York Times reported yesterday.

The newspaper said the effort was part of a 1981 arrangement in which the king agreed to aid anti-Communist groups around the world in return for being allowed to buy four advanced U.S.-built Airborne Warning and Control System (Awacs) aircraft.

The Times quoted a U.S. businessman who said he rejected requests to be a conduit for the money as saying the funds were to have been sent through Richard Secord, a retired U.S. Air Force general, and Albert Hakim, Secord's business partner.

Congressional investigators have

concluded Secord and Hakim were deeply involved in a covert programme to supply the Contras during a period when Congress had placed strict controls on U.S. assistance.

The Times said the 1981 arrangement was confirmed by present and former U.S. officials familiar with the \$8.5 billion Awacs sale, which Congress approved.

It said congressional investigators probing the secret sale of U.S. arms to Iran uncovered a Central Intelligence Agency bank account in Switzerland holding \$250m. that the Saudis donated for the Afghan guerrillas.

It said there was also testimony that the Saudis donated \$30m. to the Contras, but investigators were unable to trace those funds.

FOREIGN NEWS IN BRIEF

Last survivor of Wannsee conference dies

ULM, West Germany (AP). — Former SS General Gerhard Klopfer, the last surviving member of the 1942 Wannsee conference that plotted the extermination of European Jews, has died, a West German official said yesterday. He was 81.

Despite his participation in the conference, Klopfer was never convicted of war crimes, because of what officials called a lack of evidence.

Alfred Streim, the head of the Nazi Documentation Centre in the West German city of Ludwigsburg, said that Klopfer died on January 28 outside the Baden-Wuerttemberg city of Heilbronn. His death first became public when a death notice about him appeared in a local newspaper.

Visiting Miss Liberty is no longer free

NEW YORK (Reuters). — With none of the fanfare that celebrated her 100th birthday last summer, the U.S. government on Tuesday began charging a \$1 fee to tourists visiting the Statue of Liberty in New York harbour.

Many of Tuesday's 1,200 visitors to the statue were not aware of the fee until they stepped off the Circle Line boat that charges \$3.75 for the return trip to Liberty Island.

Congress authorized the fee last year in a test programme to charge entry fees, or to increase existing ones, at many national park sites, including Yosemite and Grand Canyon.

House of Commons passes channel tunnel bill

LONDON (Reuters). — The House of Commons yesterday gave final approval to a bill providing for the construction of a channel tunnel between Britain and France.

The bill now goes to the House of Lords. The Commons passed the bill through its final stage early yesterday morning by 94 votes to 22.

Liberace in coma, gets final Catholic rites

PALM SPRINGS, California (Reuters). — A dying Liberace lay in a coma yesterday, having been given the last rites by a Catholic priest. Tearful admirers lit candles outside his mansion. He is 67.

"He is in a coma, but he is not in pain," his lawyer, Joel Strode, told reporters on the steps of Chez de Liberace, the pianist's Spanish-style home. A self-confessed workaholic, Liberace's liking for what he called the "happiest side of music" has earned him an average of more than \$5 million dollars a year for 30 years.

Irish Jews hit bid to stage controversial play

DUBLIN (Reuters). — Leading members of Ireland's Jewish community yesterday angrily condemned a bid to stage in Dublin a play which alleges that Zionist leaders collaborated with Nazis in the murder of six million Jews.

It has been hailed around cities throughout Europe and it is no great compliment to Dublin that it is the last city in which they are trying to stage it. Dr. Joe Briscoe of the Jewish Representative Council said.

London's Royal Court Theatre cancelled a production of the play "Perdition" by Jim Allen last month after protests from British historians and Jewish groups who said it was riddled with inaccuracies.

U.S. plans to sell F-16s to Egypt, Bahrain

LONDON. — The U.S. Defence Department has officially notified Congress of plans to sell 40 F-16 fighters to Egypt, and has confirmed that it is selling 12 F-16s to Bahrain.

The Egyptian sale is worth some \$1.3 billion, according to Jane's Defence Weekly, and includes radar systems, spares and support equipment.

The 40 F-16s are the third instalment of U.S. fighters, supplied to replace older Soviet-built MiGs.

The sale of F-16s to Bahrain — informally announced last month — is worth some \$400m. and provides also for the supply of missiles, radar warning systems, support and training.

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FEATURES

Ghetto spirit

THERE AND THEN
Sraya Shapiro

ITALY sends a trickle of olim here quite regularly. If their sonorous accents are not often heard in the streets of our towns, it is because their numbers are rather small. "But what do you want from a small community?" Dr. Giorgio Romano shrugs his shoulder.

Giorgio and Bianca Romano came to Tel Aviv in 1939, in the nick of time to avoid the war and the horrors of deportation. Indeed, they were Zionists long before they reached the Promised Land.

"We kept traditions in our home in Milan, but otherwise we were like any other Italian household," Bianca Romano recalls. There were few, if any, Jewish children at her school and all her friends were Christian.

From home, however, she retained a distaste for idolatry. There was a touch of idolatry in the church services. "And there was definitely a smack of idolatry in the Fascist salute to the picture of the Duce which every pupil had to make on entering school. For seven years I did my best to reach classes from a side entrance."

Giorgio came to Milan from his native Padua to take the post of secretary to the Jewish community.

after writing a thesis on the attitude of Italian governments to Jews for his degree.

Padua is a rather little town, known to tourists for the Giotto tower. But there is also a 16th century synagogue in the town, one of whose founders was a Moshe Romano. The Romanos were merchants in silk, then in furniture.

Giorgio refused to be a trader. "My ambition was to edit newspapers. When I was 12, I edited a sort of newspaper, aided by a schoolmate."

"Ours was a Zionism of a general sort. We had little understanding of sectarian particularities. We first heard of the Revisionists from Jewish students from Romania," Bianca Romano says.

Her husband seems to be attracted to Labour. Anyhow, he wrote a book on Ben-Gurion, which was published, as everything he wrote, in Italy.

The Romanos expected nothing when they came to Palestine. "Our first endeavour was to find a means of livelihood. Times were hard."

Dr. Romano opened a store selling electrical equipment. Only after the war, when Italy was accessible again and Italian newspapers were prepared to print news about Palestine, did the journalist close down his business. Mrs. Romano studied diligently and became an English teacher.

WHAT DO we know of Italian olim? There was that legend, Enzo Sereni, a romantic at heart, a kibbutznik who used to recite Latin verse working in the field. He perished tragically in Buchenwald when he was caught on a mission behind enemy lines. And there was his wife, Ada, whose contribution to

the emergence of the state-in-the-making is more guessed at than known. Then, there is Moshe David Cassuto, the university dean who produced a commentary on the Bible known to every schoolboy.

Other names have become familiar - Della Pergola, Castelnuovo, Vitale, Sinigaglia, Bacchi. You'd find them in government, in hospitals, in industry. "But not in politics. Not the older generation, anyway. Perhaps, the seniors are still influenced by the previous era when politics was either dangerous or unsavoury."

They are no more clannish than immigrants from any other country. Obviously, they speak Italian among themselves. They visit Italy as much as they can.

They cherish their past, and do their utmost to bring relics of past glory, such as ornamented synagogue interiors, to Israel. But they don't form ghettos, like some climb from other countries do.

Perhaps, the ghetto in Italy, where it originated, was different from what it was in northern Europe. Italian ghetto inhabitants were proud. They had a sense of supremacy of tradition and none of the degrading separation from the rest of the country's population so typical north of the Alps. What they had to fear was the obliteration of their identity in the friendliness of a rather tolerant society. And that's why they come here: in search of national authenticity.

Anyway, the Romanos say that they "have never had any difficulty in becoming part of Israeli society. Israel is, after all, Mediterranean and therefore familiar. But it is more likely that Italian immigrants bring the special ghetto spirit with them."

BEERSHEBA'S spacious Oren Cinema was once a magnet for Negev moviegoers. The hundreds of comfortable seats were filled twice nightly. Demand for tickets was such that three kiosks did a brisk business catering to the long lines that formed outside.

In recent years, however, time and changing tastes seemed to have passed the Oren by. The long lines dwindled and, with them, the profit margin. Bent and broken seats were left unrepaired. Audiences of more than fifty patrons became a rarity.

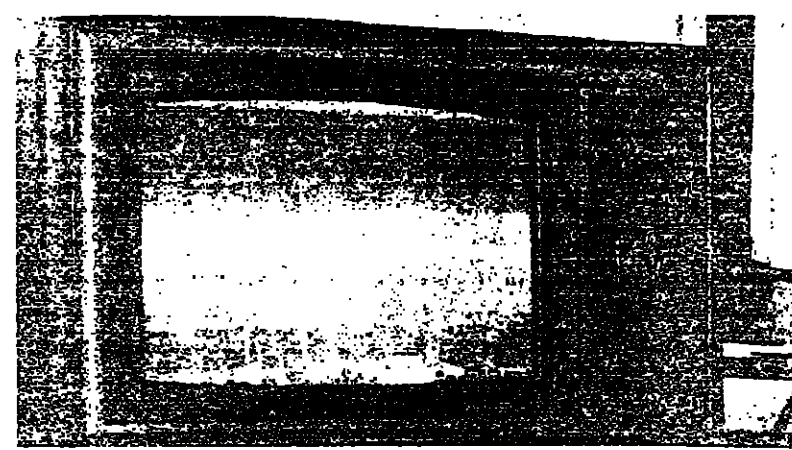
Thus it came as no surprise when a "For Sale" sign appeared last month in the display case reserved for posters of coming attractions. After twenty years as the hub of Beersheba's "Beit" neighbourhood, the Oren had closed its doors.

The demise of the Oren was hardly an isolated incident. Throughout the area, movie houses have taken on the haggard, hangdog aspect of an endangered species. Of Beersheba's nine cinemas, only four are still in operation.

In other Negev communities, movie theatres have disappeared altogether. In Ofakim, for example, the only theatre in town closed over a year ago. The structure now serves as a lecture hall for a local yeshiva.

Said Uri Nissim, owner of the Oren and the still-functioning Eshel cinema, "With each advance in home entertainment our business has been hit harder and harder: when colour broadcasts began, when colour televisions became generally available, and especially when videos came in."

A 1985 world consumer survey indicated that Israel was second only to Sweden in per capita consumption of video cassette recorders. The results of the survey raised few eyebrows in the Negev, where in some neighbourhoods the number of



Seeing a Russian choir via satellite is more attractive than the cinema. (Andre Brummann)

Last picture show

Negev Notebook/Bradley Burston

households with VCR exceeds by a wide margin the number of households with a telephone.

"You see families willing to sell every last stick of living-room furniture for the right to sit on a bare floor and watch their video," commented a Dimona appliance dealer.

LATELY THE VCR boom has been matched by a proliferation of satellite-dish antennas trained largely on the USSR (by culture-starved Russian immigrants), and spyderly, makeshift cable TV networks.

Of the pirate cable installations, cinema-owner Nissim sighs. "They may be illegal, but there's nothing you can do about them. I have to admit, this is something the public finds tempting. Movies are brought

right into your home, and you don't have to go anywhere or do anything."

Benjamin Savyon, one of the owners of the moribund Gilat Cinema, points to another cause of the industry's woes: "The last buses in Beersheba are at 11 p.m. Second shows in all cinemas end a while later. Our potential audiences, especially young people, don't generally have cars, and they simply have no other way of going home. Beersheba spreads out over a wide area, and many people have to take two buses or an expensive taxi to reach neighbourhood theatres. No wonder they decide to stay home."

Other theatre owners cite the nightly film screenings by Ben-Gurion University's student body association as a significant drain on

cinema revenues. Most BGU students live near the campus, student shows offer a different film each night, and only a nominal fee is charged.

But many Negev movie lovers hold theatre owners themselves to blame for dwindling audiences. The aging movie houses suffer from chronic sound and projection problems and a range of maintenance ills that include leaky roofs, vandalized seats, and capricious heating and cooling systems.

Ya'acov Schoen, owner of the Orot Cinema, claims that owing to the crisis in the industry, real improvements are beyond the limited means at the disposal of cinema owners.

Yet Savyon blames patrons for the run-down conditions. "Some kids just wreck the place for no reason. If I were to upholster the seats, for instance, my whole investment would go down the drain in no time. So why should I just throw my money away?"

Ironically, the impending construction of a swank new movie house in Beersheba, rather than enlivening the industry as its backers have predicted, may spell the end for existing neighbourhood cinemas.

Though cinema owners claim that the mammoth Golan-Globus organization obtained unfair inducements in order to build the new cinema, the underlying fear is that competition from the 1,450-seat, multi-screen Rav-Sheva Theatre will be all but insurmountable.

Meanwhile, owners pursue a love-hate relationship with what remains of their clientele. At the Oren, the "For Sale" sign is already mired with the dust of peeling plaster. The last picture show has been on the block for a month now, and, as yet, there are no takers.

MUSIC REVIEWS

Fascinating revival

A MEDIEVAL MUSICAL SPECTRUM by Paul Gerhardt Adam, counter-tenor and harpist (AMLI - Central Library for Music and Dance, Tel Aviv, February 1). Music by Perotin, Martin Codax, The Monk Salzburg, Oswald von Wolkenstein, Guillaume de Machaut, Bernard de Ventadorn, Petrus Abelard.

UNTIL THE middle of the 19th century, when Mendelssohn rediscovered Bach, musicians had no historical consciousness. The music composed in their time constituted the entire repertoire. It would, for instance, never have occurred to Bach to perform a work by his great predecessor at the Church of St. Peter and St. Thomas in Leipzig. Heinrich Schütz.

Today, things are different. Most of our programmes are made up of music of the past, not only the 19th and 18th centuries, but even as far back as the Renaissance and the Middle Ages.

The current revival of old music is actually one of the most fascinating developments of contemporary musical life. We reach back more and more to the very beginnings of European art music, to legendary times, when courtly love flourished, knights and commoners sang about social injustice, and composers dared, for the first time, to add another voice to the monophonic line of the Gregorian chant, thus giving birth to the polyphony that would soon become the cornerstone of Western musical culture.

SYSTEMATIC research has unearthed a tremendous treasure of old music, and the German singer Paul Gerhardt Adam was thus able to devote a whole evening to the music of the Middle Ages.

Accompanying himself on the medieval bowed rebec and fiddle,

with sustained bourdon (drone) notes, with imitations and embellishments between the stanzas of a song, and singing in the high register of the counter-tenor, Adam took us back, as if by magic, to the mysterious beginnings of the millennium.

The Spaniard Martin Codax (c. 1200) bewails, in the first song cycle ever composed, the departure of a lover. The great French composer Guillaume de Machaut (1300-1377) praises his beloved in unbelievably intricate, polyphonic virelay. The southern French troubadour Bernard de Ventadorn (c. 1150) seems an important link between Oriental and Western music.

Finally, we were introduced to the moving Latin hymns of Petrus Abelard (1072-1142), the French philosopher, poet and composer, who, after being castrated because of his illicit liaison with Heloise, devoted himself exclusively to sacred and educational music.

Adam seems to be absolutely absorbed by this world, identifying himself completely with the ancient texts and music. He handles his instruments with loving sensitivity, extracting incredible expressiveness even without the use of modern means of interpretation such as vibrato, variable dynamics and tempi. He uses his voice in the same way. It vibrates with delicate resonance to every word, syllable, meaning and emotion. In his spectacular performance, he showed us that human beings, then as now, felt deeply, enjoyed themselves, protested angrily, loved, hoped, despaired and prayed.

This was a truly off-the-beaten-track concert for the few, the real connoisseurs. For them, Adam must have been a memorable experience. BENJAMIN BAR-AM

Annoying habit

THE RENAISSANCE of the Baroque, with Shalev Ad-El, cembalo and Michael Metzger, classical flute (Jerusalem, Rebecca Crown Hall, February 3). Programme of concertos for cembalo, accompanied by flute composed by Mozart at the age of eight during his tour of England.

AT ALMOST every concert or recital attended over the last few weeks a decided predilection has been in evidence: the highly polished front-ends of musician's black shoes accompanying the performance with a tap-tap-tapping out of the pulse of the music. From conductors on the podium to instrumentalists of all disciplines and including one singer in a long gown, the feet are on the move, bobbing up and down and providing a novel choreographic approach to performance.

At one recent concert a violinist's foot was producing nearly as much sound as his instrument, which did not add very much to the performance. The sensitive recording equipment brought in to preserve that programme for later broadcast picked up a good deal more than was written in the score.

These remarks have been brewing for some time. But tonight's recital made this reviewer's pot boil over, as cembalist Ad-El flopped and thumped with both heels and toes in terpsichorean frenzy. He looked as though seated at a large organ and groping frantically for pedals mysteriously absent.

Why do musicians do it at all; and why says they shouldn't?

One supposes that a tapping foot adds reinforcement, perhaps even reassurance, of an ongoing pulsation in an art form which, like theatre, dance and cinema, lives only through the medium of time. An isolated chord, for instance, may be beautiful, but without a context of coming from and going to something, that chord is devoid of meaning. And the context is temporal, or to put it grossly, the beat goes on - even for Debussy.

Now if that time-frame is based on a rock-solid unwavering pulse over-

laid with precise and sophisticated syncopations, toe-tapping may in fact provide a sense of security. Witness big band jazz, with a dozen or two brass and wind players whose feet bob in unison as they create startling rhythmic effects in structured contravention to the established pulse. Well, maybe for reasons yet to be stated they shouldn't be tapping either, but at least they are producing such a wave of sound that the feet aren't audible. But just imagine half the shoes of a symphony orchestra stomping their way through the five-beat metre in the second movement of the *Palmier* - or even a Mozart minuet-and-trio - like a herd of stampeding cattle, and you have the first reason against.

Secondly, that secure regularity of bouncing leather quickly becomes regimentation, sure death for an art form like serious music which requires a subtle flexibility in all things, rhythm and metre included.

Thirdly, professional music education can, should and in fact does prepare its alumni to internalize such factors as rhythm, phrasing and dynamics in order that the musician not prance around in an unseemly display.

Finally, the tapping foot is a distraction to the musician himself, syphoning energy away from the instrument. It diffuses the very concentration needed to maintain a sophisticated level of performance and hence defuses the potential potency of that performance. So let all concerned be aware, and beware.

As to the evening itself, six pieces for cembalo and flute by eight-year-old Mozart do not a balanced programme make, and no amount of citations from father Leopold's correspondence, no amount of high-quality music-making, could generate real understanding of Mozart the *wunderkind* or raise this programme above the level of a curiosity.

ARIEH LICHT

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UK engineers' strike may herald wider unrest

LONDON (Reuters). — A strike by engineers at British Telecom (BT), the firm that played a key role in the Conservative government's denationalization drive, has brought a new twist to the country's history of troubled labour relations.

Industry analysts say that the dispute — in Britain's largest private sector employer and involving high-paid engineers, many of whom own BT shares — breaks new ground after years of strikes in the more traditional heavy industries.

"It is the first major strike action in the private sector with a 'high-tech' profile," telecommunications analyst Jason Crisp of Stockbrokers Country Securities said.

Prime Minister Margaret Thatcher, widely expected to call elections this year after more than seven years of Conservative rule, has pushed through tough legislation to curb what she saw as excessive trade union power.

Her government presided over a bitter year-long miners' strike in 1984. It privatized BT in the same year, has followed suit with British

Gas, and is now in the process of selling off British Airways to the public.

"Both sides have painted themselves into a corner... It's going to take a long time to resolve," Crisp said.

The walkout, which follows the collapse of long-running pay and productivity talks, could be embarrassing to Thatcher.

She had argued that her denationalization programme, in which workers were encouraged to buy shares in their companies, would lead to improved industrial relations.

The government has said that high technology and service industries like telecommunications represent the way forward for Britain because of the decline of older and more traditional industries like shipbuilding, coal and steel.

Britain was plagued by industrial disputes during the 1970s, with the miners bringing down a Conservative government which called — and lost — a general election because of a strike.

But full strikes have become much rarer since the 1984 miners' dispute and subsequent Conservative legislation requiring unions to hold secret ballots before strike action.

Although the BT strike looks set to continue for some time, analysts say that it will probably not significantly damage BT's virtual monopoly of the British telecommunications market.

Mercury Communications, part of Cable and Wireless, does mount a challenge in some areas — notably the leasing of telephone lines.

"But it takes so long to build a network that there is no real prospect of Mercury really taking advantage of the situation," Crisp said.

BT has said there would be no formal negotiations with the National Communications Union (NCU) while the 114,000 engineers — joined for several days last week by more than 30,000 clerical staff — were still on strike.

Discussions between management and union leaders have so far proved fruitless.

Bill calls for U.S. trade retaliation

WASHINGTON (Reuters). — Two key senators have drafted a massive overhaul of U.S. trade laws that will compel President Reagan to retaliate against unfair trade practices, Senate Finance Committee staff members said yesterday.

Committee chairman Lloyd Bentsen and Senator John Danforth drafted the legislation which will also force Reagan to immediately start talks with Japan and other countries such as Brazil and South Korea to reduce their import barriers to U.S. products.

Overall, the trade bill will greatly reduce Reagan's power to deny trade relief to U.S. industries either injured by foreign competition or suffering financially due to unfair trade practices by other countries, the aides said.

It will also increase requirements that Reagan consult with Congress on major trade negotiations.

To win trade relief, U.S. industries will also face a new requirement to prove they will make substantial investments to revitalize.

THE TAX BURDEN / Jeff Broide

Inside managerial insurance

Could you explain the income tax position on manager's insurance policy into which monthly payments are made from the employee's severance pay fund contributed by the employer and from the pension contributions by both the employer and employee? My question concerns the tax position upon retirement at age 65 and retirement at an earlier age. Also, what if the payments into the policy represent a higher percentage of the salary than the 18 1/2% normally accepted? Lastly can money be drawn tax free from this fund before the normal maturity of the policy? (I. Steinhardt, Ra'anana).

As you correctly state, a manager's insurance policy is comprised of the provident fund portion and the severance fund portion and is, therefore, governed by laws similar to those that apply to the provident and severance funds administered by banks and others. Therefore, on retirement, the severance pay portion would be payable according to the regulations stipulated by law and, of course, subject to the terms of the particular policy which you hold. This will apply whether you retire at 65, at an earlier age, or even later.

The provident portion is also governed by certain regulations which establish the time required to elapse from retirement or ceasing to work before the funds can be redeemed and the authorizations required in both cases from the employer and the insurance company.

In the provident portion, the law permits the employer to pay 5% and the employee pays an additional 5%, up to a fixed limit. If the employer pays more than this, the employee will have to pay tax on the excess. The severance pay portion has no restriction vis-a-vis the employee at the time of payment to the fund. However, on retirement or on ceasing employment, the law requires a certain calculation to be made, based on the time period (generally allowing for one month's salary for each year of employment) and if the employee receives in excess of this, he will be liable to taxes at the time of receipt.

I am afraid that only general answers can be provided for such questions because the terms of the policies and

employment vary from employer to employer. I therefore suggest that you examine the specific details of your policy together with your insurance and other professional consultants.

In your reply to AC of Arad (published in The Jerusalem Post on November 27), there appeared to be a contradiction between the first paragraph of your answer and the wording of Part C No. 25 of the Income Tax Return form for the 1985 tax year. You state in your reply: "The old-age pension received from NII (Social Security Payable) is exempt from Income Tax, the exemption being in the period July through September 1985, during which the exemption was only 35%," while the wording of the Income Tax Declaration form for 1985 says, at the place quoted hereabove, "25. Taxable part of old-age and survivor pensions paid by the NII during the period 1 July 1985 through 31 March 1986."

Is this apparent contradiction due to a printing error, or to a subsequent amendment of the taxation rule after distribution of the Income Tax Declaration forms for 1985? (Dr. E. Laufer, Holon)

The Law stipulates that old-age pensions received from NII for the months April, May, June 1985 are exempt from Income Tax. Furthermore, the booklet "Know Your Rights and Obligations" issued by the tax authorities for the 1985 fiscal year, states (beginning at paragraph 25) that old-age pensions from the NII received for the period July through March 1986 are liable to income tax but entitled to 35% exemption, up to the amount stipulated (for the 1985 tax year — NIS 3,742). It was further stated therein that a proposed amendment to the law had been made, whereby old-age pensions from the NII would be taxable only for the months of July, August, and September. At the time of publication of this booklet, the amendment had not yet been passed. But subsequently it was.

I trust this explains the apparent contradiction and answers your question. The writer is a Certified Public Accountant. Questions may be addressed to him c/o The Jerusalem Post.

Coroner's report on Peoples Express

By DANIEL WAKIN
NEWARK, New Jersey. — People Express was one of America's most daring experiments in commercial aviation. Early this week, it "died," the victim of competing airlines, money problems and its own ambition.

Millions of Americans saved money by flying People Express to U.S. cities, London, Brussels and Montreal. Some fares were as low as \$19, few were higher than \$100. The airline built a loyal, innovative staff by training each person for several jobs and requiring every employee to buy stock in the company.

On-board services were few. Passengers had to pay for soft drinks. There was a charge for checking luggage. But People Express' gamble was that the low fares would draw passengers.

The concept worked for six years. But late in 1986, the airline found itself on the brink of bankruptcy. It will now be merged into another airline, Continental Air.

"What killed People Express was hubris," said John Pincavage, an analyst with the Paine Webber investment firm. "They misjudged how complex an airline can become."

People Express simply outgrew itself, undone by over-expansion and the very corporate structure that made it unique, analysts say. In the

end, it could not compete with the powerful, established airlines once they wised up to its low-cost philosophy.

But the carrier that pioneered no-frills flying leaves a legacy of cheaper fares and revised labour relations in the industry.

People Express had the best financing of the low-cost carriers launched in the wake of industry deregulation, in the opinion of analyst Louis Marckesano of Janney Montgomery Scott Inc. of Philadelphia.

Founder Donald Burr chose as his hub the under-utilized Newark International Airport near New York City and began an aggressive programme of aircraft purchases.

People Express offered fares discounted up to 60 per cent. Though losing \$9.2 million in 1981, the airline began carving its niche with young travellers, recording 2.8 million passengers the next year.

The early years were a time of enthusiasm for employees of the airline where the slogan was "attitude is as important as altitude." Under its unorthodox structure, everyone was a manager, owned stock and frequently switched positions, spending time in the air or on the ground.

"We did love coming to work in the beginning," said Mary Beth

Buchanan, an employee for four years.

In March 1983, the fleet was doubled to about 40 planes. The next year, People Express went head-to-head with big airlines in major markets, starting flights to Chicago, Miami and Detroit.

In 1985, a new city was added an average of every 18 days. By August 1985, People Express was serving Brussels, London and Montreal in addition to more than 45 domestic cities.

Revenues doubled in 1984 to \$600m, and hit \$1 billion the following year. Ridership increased by about 3 million a year to 12 million in 1985.

But People Express was not becoming "meaningfully" profitable, said Marckesano.

Much of the new capital came from stock sales and new debt rather than operations. Net income began to decline in 1983.

The airline's small bureaucracy — the few levels of middle-management between Burr and the average employee — was becoming a problem.

"They didn't have the infrastructure in place," said Robert Decker, an analyst for the Chicago-based Duff and Phelps investment group. "A bureaucracy is needed to keep day-to-day matters running."

With the growing work-force con-

stantly changing jobs, inexperience and confusion caused delays, cancellations and passenger complaints.

Meanwhile, airlines like American and United began launching competitive "supersaver" fares.

At this point, analysts said, the company would have done best to cut its losses, change its structure and live in its low-cost niche.

Instead, People Express bought three airlines from October 1988 to January 1986 — Denver-based Frontier Airlines; Britt Airways, a Midwest regional carrier; and Provincetown-Boston Airline.

The fatal mistake, some analysts say, was the purchase of Frontier. Eight months after the purchase, People Express reported a \$132m loss for the first half of 1986, nearly half from Frontier, which soon filed for bankruptcy protection.

Late last year, People Express agreed to sell to Texas Air for \$100m — less than an earlier offer — to avoid bankruptcy proceedings. Texas Air decided to merge People Express with Continental.

People Express showed the bigger airlines they had to cut overhead by giving employees stock and profit-sharing options. It also put passengers into the air who never would have flown, taking bus riders out of their seats.

"It was a great experiment," Pincavage said. (AP)

AVIATION BRIEFS

Pilots urge ozone filters on El Al planes

By JOSHUA BRILLIANT
Jerusalem Post Reporter

The Israel Air Pilots Association has asked the government to require El Al to install ozone filters in all planes flying the Atlantic.

Addressing a press conference in Tel Aviv, IALPA's chairman Captain Yitzhak Gonen said the ozone gas surrounding our planet protects it from excess radiation. But at high altitudes the gas is highly concentrated. At 32,000 feet or more it could cause fatigue, smarting eyes and a feeling that one's senses are blurred, he said.

Japan Air Lines has already installed such filters on all its long-range Boeing 747s and U.S. regulations require filters in all passenger planes flying for more than four hours.



An employee operates the controls in one of the studios at the French TF1 state-run television channel. Preparations are underway for the privatization of the country's most popular television station which has a viewing audience of 40 per cent nationwide. Industry sources say it is the first sale to the private sector of a state TV channel in a Western country. (Reuters telephoto)

Hairy paw armchair sold for \$2.75m.

NEW YORK (AP). — A rare hairy paw foot wing armchair fetched \$2.75 million at auction last Saturday, establishing a record for any piece of furniture sold at auction, a spokesman for Sotheby's said.

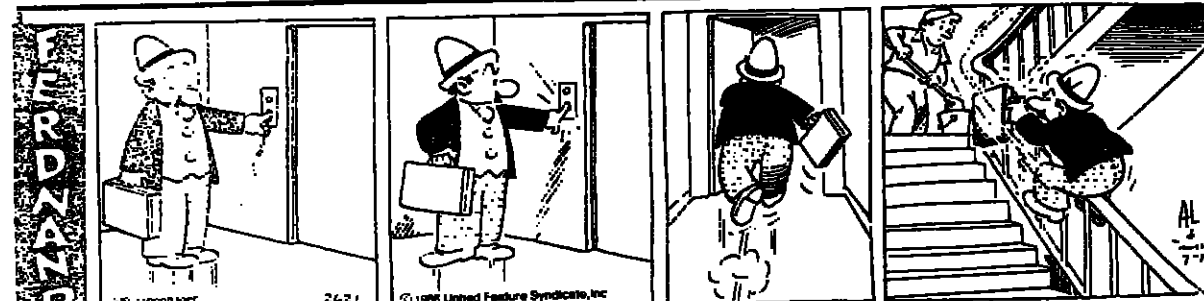
The mahogany piece, made around 1770 for revolutionary war Gen. John Cadwalader, featured the distinctive hairy paw feet and an elaborately carved skirt.

A specialist in American decorative arts for Sotheby's said the hairy paw foot is extremely rare in American furniture design and appeared primarily in furniture produced for Cadwalader, which helped push the price well past the \$700,000-900,000

the chair was expected to bring. The previous furniture record was for a Louis XVI writing desk once owned by Baron Alphonse de Rothschild that brought \$2.09m. during an October sale at Sotheby's.

ZIM — The Zim shipping company has established a working relationship with the Polish government-owned trading company, Italmex, which is to open an Israel office next month.

The Zim spokesman announced that it had delivered two containers of electronic scales and other weighing equipment from Poland to Gdansk for Italmex.



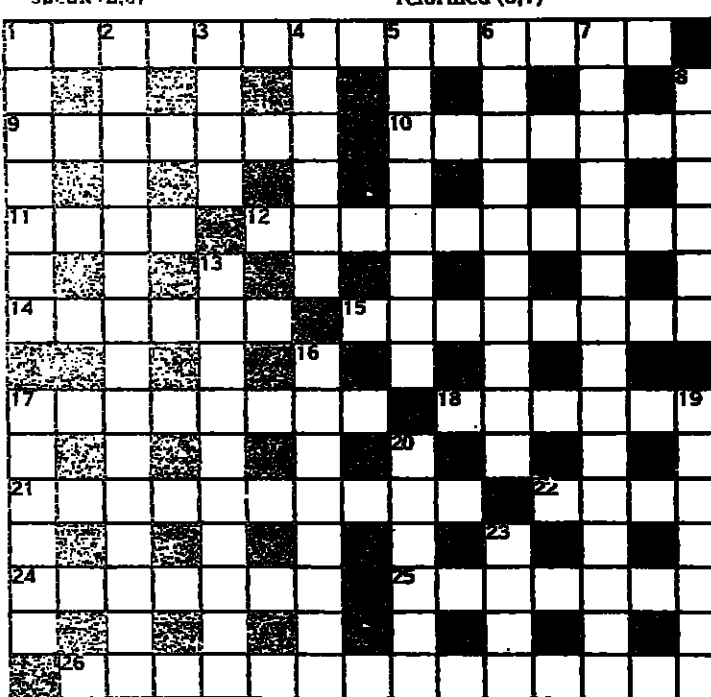
CROSSWORD

ACROSS

- 1 Conscious one isn't in the pink (5,3-6)
- 9 Isn't just being different (7)
- 10 Got the picture right on television (5,2)
- 11 Food prescribed for parliament (4)
- 12 Illuminating contribution from a linesman (5,5)
- 14 Note lamentably piped before a Channel port (6)
- 15 It's said to make a terrific impact. Good show! (5,3)
- 17 Walking the highway, so to speak (2,6)

DOWN

- 16 Agree to examine a mongrel (6)
- 21 Anything but soft going, of course (4,6)
- 22 Noted tea-time fare to fill the gap (4)
- 24 Grappling with a number facing defeat (7)
- 25 Sacrifice to Davy Jones locker (7)
- 26 Investments in which there is no immediate interest (8,6)
- 1 & 17 Fictional maybe, but basically true (7,2,4)
- 2 Sober geezer once—until he reformed (8,7)



3 Gets stuck up and self-complacent (4)

- 4 Substitute across, that's in the end, French (4-2)
- 5 Tom's each move may be traced back to it (4,4)
- 6 Willowy beauty with a faraway look? (4,6)
- 7 Evidently not above-board (5,3,7)
- 8 One scent-spray for a six-footer, perhaps (5)
- 13 Peak period for high divers? (10)
- 16 Feeling more energetic (8)
- 17 See 1 down
- 19 Rex on the way out means to go back again (7)
- 20 Not accustomed to something new (6)
- 23 A help to advancement in the press (4)

Yesterday's Solution

IMPUDENT UBER
A B A C R O S S
B I L L I O N A I R
C O U N T Y
G E N E R A L
N E E D S
A S P O N S E
P O I N T D O P
E D W A R D
A B U N D A N C E
R E H E A R
N O T I C E
G E H R E P L E N I S H

ACROSS: 7 Centre, 9 Letter, 10 Refract, 11 Ocean, 12 Fins, 13 Steep, 17 Climb, 18 Have, 22 Office, 23 Natural, 24 Rafter, 25 Govers.
DOWN: 1 Scarlet, 2 Instant, 3 Broad, 4 Devotee, 5 Strew, 6 Wrong, 9 Statement, 14 Flounder, 15 Farrier, 16 Decline, 19 Worry, 20 Sciff, 21 Shoop.

QUICK CROSSWORD

ACROSS

- 1 Sculpting material
- 4 Drugs
- 8 Bushy plant
- 9 Meet head on
- 10 One of the U.S.
- 11 Lake
- 12 Container
- 14 Norwegian capital
- 15 Secret
- 16 Cereal
- 21 Friend
- 23 Saturate
- 25 Keepsake
- 26 Ucaonay
- 27 Livestock farm
- 28 Glossy coating

DOWN

- 1 Gauzy fabric
- 2 Red rose (anag.)
- 3 Breed of dog
- 4 Assist
- 5 Join
- 6 Three-dimensional sound
- 7 Fragment
- 13 Number
- 16 Plan
- 17 Agriculturalist
- 19 Racecourse
- 20 Discourse
- 22 Citrus fruit
- 24 Move very slowly

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Bella, 6 King David, 224858; Balsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Aldeha, Herod's Gate, 232058.
Tel Aviv: Santitas, 28 King David, 283731; Briar, 28 King George, 283731.
Ra'anana-Kfar Sava: Feingold, 47 Rothschild, Kfar Sava.
Netanya: Netanya, 11 Herzl, 22842.
Haifa: Hanassi, 33 Sderot Hanassi, 333312.

DUTY HOSPITALS

Jerusalem: Hadassah Ein Kerem (pediatrics, ophthalmology), Bikur Holim (internal, E.N.T.), Sheara Zedek (obstetrics, surgery, orthopedics).
Tel Aviv: Rikah (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

FLIGHTS

24 — Hours Flight Information Services: Call 03-59712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines).

FIRST AID 101

Magen David Adom
In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333
Ashkelon 23333
Beer Sheva 74767
Carmiel 98555
Dan Region 781111
Elat 7253
Haifa 612233
Hadera 22333
Holon 803133
Jerusalem 523133
Kfar Saba 34442
Kiryat Shmona 44334
Netanya 23333
Petah Tikva 923111
Rahovot 461333
Rishon LeZion 942333
Safed 30333
Tel Aviv 240111
Tiberias 90111
Mobile Intensive Care Unit (MICU) services in the area, around the clock.
"Eran" — Emotional First Aid, Tel. Jerusalem 227171, Tel Aviv 261111 (children/youth 03-261113), Haifa 672222, Beer Sheva 418111, Netanya 35316.
Rave Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 245554, and Haifa 382611.
The National Police Control Centre at Ramat Hashikma, phone (04) 529205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre, Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

GIVE US A HAND

The Hanukka Toy Fund is so much more than its name suggests. Now that the holiday is over, we turn our attention to the numerous special projects for Israel's underprivileged children. Please, be generous. And let us care for our little ones.

Day care centres for the elderly give our less fortunate senior citizens a place to spend the day, to be creative, productive, together. Your contributions go a long way to keeping them warm and happy. Help us help them: give generously to the Forsake Me Fund.

Contributions can be mailed directly to The Jerusalem Post, P.O.B. 81, Jerusalem 91000. All funds are allocated in accordance with the recommendations of the Ministry of Labour and Social Affairs.

MARKET PLACE

PAUL MYLREA

Vying with the Swiss

Flushed with another year of strong profits in 1986, Luxembourg bankers are congratulating themselves on a successful move into private banking begun after the decline of the Eurocredit market in the 1970s.

Bankers and banking officials say the success of private banking here so far means banks will continue to develop their services. Luxembourg is well on the way to becoming a "little Switzerland," they add.

Blessed with tight security and central location, some banks are even hoping to entice clients away from Zurich and Geneva.

"That's what the banks here are trying to do, to create a little Switzerland, and above all to attract some of the traditional clients of Swiss banks," a senior dealer at one of Luxembourg's three main domestic banks says.

Pierre Jaans, director of the country's monetary authority, the Institut Monetaire Luxembourgeois (IML), adds, "Private banking is becoming the second pillar of the banks here behind their traditional activity of industrial and trade credits."

Bankers say private banking last year boosted commission earnings and enabled banks to repeat strong 1985 profits despite a decline in interest rate related earnings.

The share of profits from private banking is difficult to determine overall, as results do not distinguish between this revenue and other commission business, bankers say.

Partly because it is personnel intensive - and Luxembourg bankers say a pressing problem here is the shortage of trained staff - private banking has not yet totally replaced the profits previously earned in Eurocredit business.

"It is a bit difficult to replace a margin of 2 per cent on a credit," Rico Barandun, senior vice-president of Credit Suisse (Luxembourg) says. But bankers say profits from private banking are already substantial and growing.

Luxembourg's three main domestic banks have always been involved with private clients.

Remy Kremer, director of one of these banks, Banque Generale, and president of the Luxembourg Banking Association, ABBL, says, "Luxembourg's situation has always attracted private clients and institutions for various reasons, including fiscal reasons."

Wedged between Belgium, France and West Germany and just a short drive from the Netherlands, Luxembourg is a traditional haven for small investors from these countries.

The keys to its attraction were competitive fees, no tax on investments by non-residents, no taxes on secondary market dealings and no tax on precious metal purchases.

But it is the enactment of the 1981 banking act, legally enshrining Luxembourg's long-held tradition of strict banking secrecy, which heralded the surge of private banking.

Kremer says "for a long time there was a question mark over banking secrecy. We thought we were covered but there was uncertainty. Now we have a very comfortable position."

Bankers also noted Swiss banking secrecy has been coming under fire recently from the U.S.

But Luxembourg, specializing in clients of less spectacular wealth than some of those in Switzerland, has largely escaped critical attention. "We haven't got the kind of money which cannot show itself for reasons other than fiscal reasons. We haven't got Marcos's money for example," Kremer says.

Banks here are keen to keep it that way. "We want to stay in the area of the medium-sized client so we won't find ourselves in the line of sight of the U.S.," Kremer adds.

Jaans says, "Luxembourg is well clear of dirty money, such as drugs. It's a market of honest, medium-sized savers." He is optimistic it will remain so, and adds that bankers are aware of the need to check the quality of deposits.

Luxembourg is keen to play up the difference with Switzerland, emphasizing a homelier, less expensive approach.

Einhorn may quit today

By PINHAS LANDAU

The future of Bank Leumi chief executive officer Mordechai Einhorn is hanging in the balance after an inconclusive 2½ hour meeting between management and staff committees yesterday afternoon. When the discussion is resumed today, Einhorn is expected to reply to his critics, after having remained silent yesterday. However, observers do not rule out the possibility of Einhorn's resigning, either today or in the near future.

Leumi chairman Dr. Meir Heth, who along with Einhorn, represented management at the meeting, reiterated the position of the bank's newly installed board of directors. That position gives full support to the beleaguered chief executive officer.

Heth noted that Einhorn had not granted himself the salary and bonus packages, of almost \$400,000 per annum in 1985 and 1986, that had aroused the ire of the staff and the public. Einhorn had been offered them and, in response to the board's

recent request, offered to return the bonuses for the last two years, amounting to some \$180,000.

Significant sections of the staff, represented at the meeting by a joint committee of the bank's two staff committees, continue to demand Einhorn's resignation. Their demand is based on his having agreed to accept the huge pay offered him, and his having led the campaign to freeze or even lower wages throughout the bank and to dismiss a large number of employees. They also argue that in the light of recent events, he cannot be expected to lead the bank out of its current problems.

The staff committees lack a common front. The more senior committee, of authorized signatories and managers, went on record some time ago as demanding that Einhorn stand down or be replaced. The main committee, of rank and file staffers, has no clear position. Some of its leaders support the anti-Einhorn camp while others are still on the fence.

The key may therefore lie with Einhorn himself. Having accepted a pay cut of 40 per cent, from \$25,000 to \$15,000 per month, and having agreed to return his bonuses, he may decide that the continuing pressure is too much and resign. He offered to do this last week when the new board took over, but this was rejected.

If, on the other hand, he decided to stay on, he could make his stand at today's discussion. If he can persuade at least the undecided among the staff committees that he has contributed his part in the "belt-tightening" at Leumi, he may be able to emerge unscathed, and possibly even strengthened.

If Einhorn goes, whether by his own decision or because of the internal and external pressures, other senior executives at Leumi are likely to follow. In particular, the bank's accountant, Haim Buchsbaum, and chief internal controller, Ya'acov Hirsch, are under fire for their role in disbanding, and not preventing, the salary and other payments made to Leumi ex-chairman Ernest Japhet.

Report by Euroteam economic consulting firm says:

Economic package lacks merit

By PINHAS LANDAU

The government's economic package fails to address the three basic problems of the Israeli economy, while leading to a likely resumption of the inflationary spiral. These are the main conclusions of an economic viewpoint from the Euroteam economic consulting firm.

Euroteam's scathing attack on the government plan finds almost nothing favourable in it, and faults it on every ground. The key element of the plan, in this analysis, namely the 12 per cent devaluation against the basket of currencies, is dismissed as too little and too late.

The shekel's real value against the U.S. dollar was at an all-time high at the end of 1986, the report notes, and to restore its position to that of June 1985 would have required a devaluation of 23 per cent, with none of the effects thereof passing through to the cost of living allowance. Even taking account of the fall of the dollar on the international markets, the shekel is still above its "real" value, according to Euroteam's assessment.

The report predicts the latest devaluation will be swallowed up by

price rises within a few months, necessitating a further devaluation. The next time, however, the Histadrut is unlikely to agree to a reduced cost of living allowance, so that the familiar cycle of devaluation-cost of living allowance-inflation-devaluation will be resumed.

The three basic problems of the economy, in the Euroteam's view, are the lack of growth, the need to restrain inflation and the balance of payments deficit. They feel these are ignored by the latest economic plan.

Nor does the plan attempt to tackle the structural distortions of the economy, especially in the capital market. The report considers the plan to have done nothing toward reforming the capital market, nor toward a comprehensive reform in the tax system, based on abolishing exemptions. Neither is there a reduction of government involvement in the economy.

Instead, the report finds a continuation of the economic stagnation that has characterized the economy for the last decade, and no real prospect of any change in this situation.

While the plan definitely reduces

tax rates and hence government receipts, it only promises a reduction in government spending. All experience suggests that this promise is unlikely to be realized. The budget deficit will grow.

If the Kupa Holim rescue plan is the precursor of others throughout the economy, this will cancel out the spending cut, even if they are made, the report predicts.

Even the success of the July 1985 economic plan was fortuitous, according to Euroteam. Falling oil prices and fierce price controls kept inflation down, but it maintained an underlying rate of 1.5 per cent per month, indicating the existence of demand and wage pressures.

Given that oil prices have already doubled from their lows, that real wages are higher than in July 1985 and that most of the price control system has been dismantled, only a programme based on budgetary and monetary restraint could have reduced inflation to a reasonable level, defined as around 5 per cent per annum. This was not done, Euroteam finds, leading it to predict that the new plan will fail totally.

LEBANON

(Continued from Page One)

The Foreign Office has reportedly told the Archbishop of Canterbury, Robert Runcie, that there is nothing to be done for the time being but wait and hope.

Meanwhile, experts in Bonn said that West Germany has no military option in Lebanon, either for a rescue operation or for a retaliatory strike against terrorists, even though two German hostages are in the hands of Shi'ite terrorists. German law prevents the government from using the army for such purposes.

West German police have arrested two Lebanese nationals in connection with the discovery of a cache of explosives that bolstered suspicions of a possible Middle East terror ring based in West Germany, sources said yesterday.

The two men's arrest comes soon after the arrests of two Lebanese Shi'ite brothers in West Germany, one of whom is a suspect in the hijacking of an American TWA airliner to Beirut in 1985.

Security sources have indicated that the suspected terror ring included one of the brothers, Mohammed Ali Hamadei, whose extradition from West Germany is being sought by U.S. officials in connection with the hijacking.

Hamadei's arrest in Frankfurt on January 13 was followed days later by the kidnappings of two Germans in Lebanon by Shi'ites apparently seeking his freedom.

Both Hamadei brothers lived for extended periods in Saarland, situated in southwestern Germany along the French border, between 1982 and the end of last year.

Lebanese terrorist suspect Georges Abdallah, awaiting trial in France, may have had links with the West German terror ring, according to a West German television report. It is said Abdallah, due to face charges of complicity in two murders in a French court this month, was known to have visited the village pension in Saarland where Mohammed Ali Hamadei lived.

Former IDF chief of general staff Rafael Eitan said yesterday that the U.S. should kidnap hostages in order to bring about the release of American captives in Lebanon.

"The United States should kidnap those whose kidnapping will influence those whose kidnappers," Eitan said on the Erev Hadash television programme.

But Eitan added that the U.S. "won't do it. We [Israel] can do it. We've done it in the past and we should have done it a few more times." He did not elaborate.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	118.44+1.51%
Non-Bank Index	131.65+2.85%
Arrangement	106.19+0.54%
Insurance	123.05+4.02%
Commerce, Services	128.00+2.19%
Real Estate	128.37+2.32%
Industrials	133.71+3.18%
Textiles	128.89+1.82%
Metals	123.62+3.02%
Electronics	140.03+2.45%
Chemicals	132.28+2.27%
Industrial Invest.	162.96+6.67%
Investment Cos.	138.10+2.78%
General Bond Index	110.87-0.07%
Index-linked Bonds	111.97+0.16%
Fully-linked	114.13-0.16%
Partially-linked	108.58-0.13%
Dollar-linked Bonds	104.83+0.29%
Short-term 0-2 yrs	107.20-0.09%
Medium-term 2-5 yrs	110.42-0.10%
Long-term 5+ yrs	113.13-0.07%

Turnovers:

Shares - total	NIS 19,804,100
Arrangement	NIS 3,222,700
Non-bank	NIS 16,581,400
Bonds - total	NIS 7,984,900
Index-linked	NIS 5,529,900
Dollar-linked	NIS 2,455,000
Treasury Bills	NIS 7,525,200
Advances	237 (101)
of which 5%+	88 (16)
"buyers only"	3 (2)
Declines	31 (174)
of which 5%+	4 (43)
"sellers only"	1 (1)
Unchanged	126 (121)
Trading Halt	28 (28)

Bond Market Trends:

Index-linked:	
3% fully-linked	Mixed to 3%

4.25% fully-linked

80% linked	Double-linked	Dollar-linked:
Admon	Rises to 2%	Falls to 1%
Gilboa	Rises to 2%	Falls to 1%
For. Curr.	denominated	Treasury Bills
(annual yield)	20.95-21.95%	

Arrangement yields:

IDB ord.	16.40%
Union 0.1	15.65%
Discount A	16.70%
Mizrahi r.	16.35%
Hapoalim r.	16.59%
General A	16.21%
Leumi stock	16.44%
Fin. Trade 1	16.94%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%
			100NIS change

Trade & Services

Meir Eran	1550	6114	+5.1
Supertel 2	11060	1069	+0.9
Delek r.	4625	1200	+2.0
Lighterage	21210	90	-
Cold Storage	1258	4264	-
Dan Hotels	1833	961	+8.4
Yarden Hotel	2788	30	+6.0
Hilon 1	no trading		
Team 1	1042	1191	+1.2

Real Estate, Building and Agriculture

Azorn	1130	15467	+5.6
Eilon	572	12038	+1.4
Africa Isr. 0.1	49050	421	+1.4
Dankner	5505	1584	+10.0
Prop. & Bldg.	4930	1586	+2.1
Bayside 0.1	5698	413	-
ILDC r.	81800	255	+2.1
Rasoco r.	5850	230	-
Meleham	12100	472	-
Hadarim	1890	2909	+2.5

Industrials

Dubek b.	5980	5193	+6.6
Pr-Ze 1	no trading		
Sunfrost	14300	75	+4.4
Elita	21000	447	+4.9
Adgar	720	3688	-
Argaman r.	17450	118	-
Delta G 1	4130	936	-
Maquette 1	4820	590	+3.0
Eagle 1	21890	55	+0.8
Polgat	5145	1595	+1.5
Schoellerlin	15800	185	+2.3
Rogovin	2770	670	-
Urdan 0.1 r.	9000	596	+5.0
Is. Can. Co. 1	3680	1939	-
Zion Cables	2771	874	-
Packer Steel	20891	172	+10.0
Eibit	541000	38	+2.1

Financial Institutions

Agic C	no trading		
Ind. Dev. DD	no trading		
Clal Leasing 0.1	22850	58	-

Insurance

Ararat 0.1 r.	1903	2550	+10.0
Hessner r.	442	54942	+8.5
Phoenix 0.1	920	3780	-
Hamaishar	7000		-
Menorah 1	2780	76	+5.7
Sahar r.	7724	1742	+10.0
Zion Hold. 1	10500		-0.4

Elron	484000	16	+2.8
Clal Electronics	32480	132	+3.8
Spectronix 1	2570	2488	-
T.A.T. 1	5800	415	+1.7
Acherstein 1	1090	5081	-
Agan 5	16200	85	+2.8
Alliance	2480	583	-
Dexter	3300	29	-0.6
Fertilizers	5100	21	-0.9
Teva Chem.	728	20483	+8.0
Teva r.	12580	2507	-
Dead Sea r.	3675	10225	+2.2
Petrochem.	880	27363	+1.5
Nesca Chem.	6880	355	-
Frutaron	15151	45	-
Hadera Paper	408000	129	+8.0
Central Trade	11700	707	+5.0
Koor p.	9950000	1	+2.0
Clal Inds.	2690	21925	+8.5

Investment Companies

IDB Dev. r.	7648	2402	+3.9
Elron	4880	1840	-
ARI 1	318	12528	-
Galehet	1470	750	+5.0
Israel Corp. 1	16200	578	+4.9
Wolfson 1 r.	132000		-
Hapoalim Inv.	5601	1010	+4.0
Discount Invest.	4448	4846	-
Mizrahi Invest.	31920	27	+5.0
Clal 10	1363	18116	+1.9
Landeco 0.1	no trading		
Pama 0.1	12520	38	+1.0

Oil Exploration

Paz Oil Expl.	27700	271	+0.5
J.O.E.L.	4800	1383	-

Abbreviations:

a.s. buyers only	b. broker r. registered
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Antwerp diamond trade sparkles in '86

BRUSSELS (Reuter). - Belgium's Antwerp-based diamond trade fell in value last year for the first time in five years, but both imports and exports were higher than in 1985, the industry announced yesterday.

The Diamond High Council in Antwerp put turnover for 1986 at \$9.5 billion, down from \$10.6 billion the previous year.

Industry analysts attributed the decline entirely to the fall in the value of the U.S. dollar.

They said last year's turnover still accounted for about 6 per cent of Belgium's gross national product. Antwerp is the world's largest polished diamond trading centre.

Imports of polished stones rose by just over 19 per cent to more than 3.5 million carats and exports were up 4 per cent to 3.8 million carats.

The analysts said the value of the trade in local currency terms was hit because the dollar fell to 40.5 at the end of the year.

FINANCIAL MARKETS

ISRAELI MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.58% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	4.2	8-18.25%	9-19.25%	12-21.75%
HAPAOALIM	27.1	8-17.00%	9-17.50%	12-20.50%
DISCOUNT	17.12	7-16.00%	8-16.20%	14-18.50%
MIZRAHI	1.12	6-17%	6-17.50%	6-19.50%
FIRST INT'L	13.1	10-16%	11-17.7%	13-20.04%

Rates vary according to size of deposit.

(Tapas: demand deposit paying daily interest)

Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH - FOREIGN CURRENCY DEPOSIT RATES

(February 4)

CURRENCY	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	8.500	9.375	5.500
STG (100,000 pounds)	3.125	3.125	3.250
DMK (100,000 marks)	2.500	2.500	2.750
SFR (50,000 francs)	2.625	2.500	2.500

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (February 4)

		TRANSFERS		BANKNOTES		Rep.
		Buy	Sell	Buy	Sell	
Currency basket	1	1.6630	1.6840	—	—	1.6740
U.S.A. Dollar		1.6610	1.6710	1.57	1.64	1.6113
Deutschemark		0.8878	0.8939	0.87	0.90	0.8889
Pound Sterling		2.4335	2.4639	2.42	2.49	2.4510
French Franc		1.0249	0.2882	0.26	0.27	0.2666
Japanese Yen	100	1.0485	1.0616	1.03	1.07	1.0552
Dutch Florin		1.0789	0.7927	0.77	0.80	0.7887
Swiss Franc		1.0464	0.5955	1.03	1.07	1.0542
Swedish Krone		1.2468	0.3498	0.24	0.25	0.2484
Norwegian Krone		0.2293	0.22	0.22	0.23	0.2208
Danish Krone		0.2338	0.2366	0.23	0.24	0.2357
Finnish Mark		1.3525	0.3669	0.35	0.36	0.3548
Canadian Dollar	1	1.2033	1.2183	1.18	1.23	1.2078
Australian Dollar	1	1.0719	1.0853	1.00	1.10	1.0785
'S. African Rand	1	0.7717	0.7813	0.50	0.60	0.7772
Belgian Franc	10	0.4208	0.4250	0.41	0.43	0.4280
Austrian Shilling	100	1.2552	1.2709	1.24	1.29	1.2634
Italian Lira	1000	1.2406	1.2561	1.21	1.28	1.2486
Jordanian Dinar		—	—	—	—	—
Egyptian Pound	1	—	—	0.73	0.84	0.3620
ECU	1	1.8203	1.8431	—	—	1.8310

THE JERUSALEM POST

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Domestic deterrent

TEL AVIV District Court Judge Ya'acov Maltz, unanimously chosen on Tuesday by the Knesset House Committee to be Israel's next State Comptroller, will be taking over an office the prestige of which rather outweighs its influence.

In a recent magisterial study of *Israeli Democracy* the author, Daniel Shimshoni, observes that the State Comptroller, "investigates complaints, in his capacity as Ombudsman and as part of an ongoing check of the working of government, whose results are published a considerable time after the event. The Comptroller's extensive studies have an important deterrent effect, but there is little evidence of timely redress in specific cases. In newsworthy cases, resort to the press can speed tardy attention."

That is about the measure of the attention which the professor of public administration at the Hebrew University found worth lavishing on the State Comptroller in a 500-page tome.

Even this much may have been over-generous. That the State Comptroller's reports on bureaucratic lawlessness, arbitrariness and ineptitude have some deterrent effect is a reasonable enough assumption, but how important it is can only be guessed. The number of cases in which citizens who feel wronged by the machinery of government seek the intercession of the High Court of Justice suggests that it is not very important.

Having just returned home to Tel Aviv from a 10-month stint as acting justice of the Supreme Court in Jerusalem, the new State Comptroller must be particularly alive to the limitations under which he will labour. A judge from whose decision there is no appeal may rightly expect it to be carried out. The State Comptroller, on the other hand, can only hope that his criticisms and recommendations will be heeded by the powers that be. Among which he is not himself numbered.

In interviews he granted the press on the day of his election, Judge Maltz, while elated by the fresh challenge, sounded almost pained by - although resigned to - the fact that the State Comptroller is virtually toothless.

Proposals that would allow him a tooth or two have been made in the past. One suggestion is that he should be free to name culpable officials, rather than be confined - as a matter of custom, not of law - to detailing their offences, but in anonymity. Yet such a change would turn the office of the State Comptroller into a regular court of law, in which the accused officials should be able to properly defend themselves. For if they are denied the right, they might sue their detractors for libel.

Somewhat paradoxically, it is the State Comptroller's self-imposed freedom from judicial constraints that protects him in his inquisitive forays into the jungle of bureaucracy.

This does not mean that the State Comptroller's capacity to serve as the guardian of bureaucratic probity cannot be enhanced by a more careful selection of matters for investigation. In a backhanded slap at past holders of the office, Judge Maltz vowed this week to focus on what is truly significant at the expense of the trivial. The Comptroller's impact could also be strengthened by a more aggressive stance, such as was exhibited by Judge Maltz's immediate predecessor, and one-time private law partner, Yitzhak Tunik.

Although the State Comptroller cannot himself set up a state judicial inquiry, he can urge the Knesset State Control Committee to initiate it when necessary. That is what Mr. Tunik did, successfully, after taking a close look at the scandal of the bank-shares collapse.

Judge Maltz will unfortunately be starting his five-year stewardship as State Comptroller under something of a cloud. His hurried election, at the instance of an odd coalition from the extreme right and left, by a parliamentary panel that hardly knew him except as a non-political judge, has laid bare the inability of the Likud and the Alignment - in this instance, to its shame, mainly the Alignment - to subordinate party to national interests.

But that is not Judge Maltz's fault, and there is no reason why he should not be able to quickly remove the first handicap placed in his way.

Weather Worthies

NOT LONG AGO - it was still autumn - our official meteorologists were taken to task in this space for going out on a limb and prophesying a year in which the rainfall would be below average. The animadversion turned out to have been justified. This is all the more reason, however, to change back now and congratulate them for producing astonishingly accurate short-range weather forecasts.

There was a time when weather forecasts, like mothers-in-law, were the favourite butts of comedians: veteran Jerusalemites still recall older times when the promise of sunshine in winter would make one and all cancel plans for out-of-town hikes, while the prediction of rain would be a signal to sally forth in the assurance that everything would be fine and dandy.

Now, working with satellites and other sophisticated sources of information, the forecasters have transformed what used to be a divination into a science. Their instruments enable them to pinpoint with greater accuracy not only when rain will fall, but also the quantities to be expected in different parts of the country, as well as the temperatures and wind velocity.

One day, perhaps the forecasters who are now able to tell us what the weather will be, may also produce it on demand. In that case they should see to it that the rains - welcome as their arrival has been this winter - do not fall during the weekends as they have been doing for four weeks in a row, and provide us with blue skies for our enjoyment.

PANEL

(Continued on page two)
that did not involve the U.S., a subject that has been covered by the U.S. Senate Intelligence Committee.

Eban explained that the statement did not mention allegations in Washington about Israel transferring money to the Contras in Nicaragua, since "it was convinced that no such involvement had existed."

U.S. Senate findings published last Friday contradicted the Israeli version of events on several key points. U.S. testimony suggested that Israeli officials initiated the idea of selling arms to Iran and that Israel had shipped weapons to the Contras.

The Knesset subcommittee will hear two other figures mentioned in the Senate report: millionaire Israeli arms trader Ya'acov Nimrodi and Al Schwimmer, an American citizen who is a confidant of Vice Premier

Peres and a founder of Israel Aircraft Industries.
Nimrodi is already on record as giving the American media a version contradictory to that of the government.

One member of the subcommittee told *The Jerusalem Post* that the body needed to ask the government a number of "serious questions" about the arms deliveries to Iran in cooperation with the U.S.

Another member dismissed reports that Nir and Kimche had contradicted each other and tried to incriminate each other.

The same source said that a report alleging that Nir siphoned off \$2 million for purposes unknown was "a big joke."

The source said: "We in the subcommittee believe that Israel has good answers to all the questions and that there is no reason why we should not sleep well at night."

When thieves fall out

Yosef Goell

ONE OF THE POLITICAL clichés of the past two and a half years is that Kahanism, and the blatant anti-Arab and anti-goy prejudices it peddles, constitute the greatest danger to Israeli democracy. I have my doubts, mainly because Kahanism is perceived as such an abomination in the eyes of the vast majority of the Israeli democratic mainstream. But if one is looking for real threats to Israeli democracy, the events of the past week or so should point us in the right direction. I am referring to the spin-offs from the Balas affair.

The recent surfeit of "affairs" tends to obscure the important insights that emerge fleetingly in their course. To me, the most interesting aspect of the recent accusations by some Likud politicians, that indicted, grey-market financier David Balas was deeply involved in the financing of the Labour Party, was Labour's reaction.

Labour did not deny the charges that Balas had contributed \$600,000 to its election campaign chest in 1984. What Labour politicians did say, was that if the Likud didn't shut its mouth, Labour would start releasing the dirt it had on the Likud's own financial shenanigans.

At a stormy session of the Labour Alignment's Knesset faction, MK Aharon Harel charged that the Likud was engaged in a personal lynch campaign against Labour chairman Shimon Peres, and that it should be mindful of its own skeletons in the cupboard - such as the Tel Hai Fund, and the contributions of West Bank land speculators to its electoral campaign chests. Labour secretary-general Uzi Baram added the interesting observation that at the time Balas made his contributions to the party, he had not been under suspicion.

Both parties know whereof they speak. Although some may find the expression "when thieves fall out" too extreme or irrelevant to apply to Israel's elected political leaders, there is simply no other way to describe their behaviour over the Balas affair.

In 1973, the parties represented in the Knesset legislated official funding for themselves. The public purse was henceforth to provide the funds for the running of the parties and their bloated establishments, on the basis of a fixed payment per head in their respective Knesset factions. In addition, the Treasury was also to provide basic funding for the parties' election campaigns. What was not legislated, but is a fact of life, is that most of the parties also receive substantial, additional funds from other public institutions such as the Jewish Agency and the Histadrut.

The argument adduced in support of that legislation was that it was essential to preserve Israeli democracy by safeguarding the political parties from dangerous pressures on the part of large financial interests, who might use their contributions to acquire political clout. Accordingly, parties in receipt of public funds were banned from accepting con-

tributions from corporate bodies or institutions, either here or abroad. Contributions from individuals were exempt from those limitations, possibly on the assumption - which may have been true in 1973 - that there weren't that many rich individuals here prepared to throw around their money for political contributions.

All the indications since then point to the fact that the influence of moneyed individuals and of vested financial interests on the political parties and on the decision-making process has grown to dangerous proportions. It is this development that today constitutes the greatest danger to Israeli democracy. And the problem is that both major parties and many of the smaller ones - who, together, constitute the overwhelming mainstream of the political system - are deeply mired in the corruption. Consider the following items from the past decade:

□ Former prime minister Menachem Begin used his short term as acting minister of justice to push through a pardon for convicted bank embezzler Yehoshua Benzion, not because of the latter's erudition in Jabotinsky ideology, but because Benzion was a major contributor to Herut party funds.

□ Former prime minister Shimon Peres did not accept the gift of what was not, after all, a solid gold watch from David Balas in a fit of absentmindedness. All the evidence points to the fact that Balas was part of the coterie around Peres and the Labour Party, and was deeply involved in the efforts to rope small parties into a narrow, Labour-led coalition following the elections of July 1984.

Uzi Baram is wrong. True, in 1984, Balas was not under indictment. But any big operator in the grey-market financing world ought to have been deserving of suspicion.

□ Labour used Balas to cover Ezer Weizman's Yahad Party's 1984 campaign debts as part of the deal for obtaining Yahad support for a narrow, Labour-led coalition, and eventually for Yahad's integration into Labour. Likud set the precedent for Labour in its own arrangements with the late Moshe Dayan's Telem party, whose two Knesset seats became crucial for Begin's majority of one following the 1981 elections.

□ Prime Minister Yitzhak Shamir did not just happen to get together with West Bank land speculators and developers at a meeting for raising money for Herut.

PERHAPS, MOST SERIOUS of all: these ramified connections between parties and moneyed interests provide the best - and possibly the only - explanation for the behaviour of the political leaders of the major parties over the economic scandals of the past few years. These leaders were deeply involved in the decisions of commission and omission in the illegal regulation of bank shares

by the banks.

The most egregious case of gargantuan-scale political thievery in Israel was the political decision of October 1983 to have the public treasury undertake to repay the bank shares that had gone bust at the inflated, dollar-linked values of the eve of the bust. Leaders of both major parties and some of the minor ones colluded in that decision, which will primarily benefit moneyed interests at the top of Israel's socio-economic pyramid at a cost of \$7 billion from public funds.

Is it any wonder that the leaders of all our major parties fought tooth and nail against setting up an official commission of inquiry into the causes of the bank-share regulation scandal? And that when the state comptroller belatedly forced the appointment of the Bejski Commission, those very political leaders fought valiantly against carrying out its recommendations regarding the heads of the banks?

One could go on and on. What should be done is no secret. The costly inanities of recent election campaigns can be banned by legislation. Loopholes in election funding laws that permit unlimited, personal campaign contributions and contributions from abroad, can be sealed. The level of official party funding can be cut down, with no damage to the democratic process.

The problem is that the likelihood of these things being done is somewhat akin to the likelihood of the proverbial camel passing through the eye of a needle. Many of us are accustomed to regarding our major political parties and their leaders as idealistic representatives of legitimately competing ideological bodies. The truth is that the parties have become so profoundly debased that whatever policy differences there are between them are largely cosmetic. Today, the real differences between Likud and Labour boil down to money and jobs for the boys.

It is 10 years since the last attempt was made to challenge this corrupted political system by a new reform-minded party. The attempt, on the part of the Democratic Movement for Change, elicited a remarkable first-time response from the electorate in 1977, but it ended in failure.

However, ten years is long enough both for the reform-minded part of the electorate to lick its wounds, and for younger generations of voters to go around moaning that "the case of the DMC shows that it can't be done."

The chances of reforming the existing parties from the inside, and of their supporting legislation to eliminate the excesses of the present system, are far slimmer than the admittedly difficult task of seeking to reform the system through the emergence of new political parties and a fresh crop of, as yet, untarnished contenders for political power.

The writer is a member of the editorial staff of *The Jerusalem Post*.

Dry Bones



No Crusaders

Ya'acov Friedler

AT THE RECENT Haifa University International Conference on Irish and Jewish Nationalism, right-winger Yael Rom, who once made an unsuccessful bid for the mayoralty on an independent ticket, proposed that all Jewish communities in the West commit themselves to sending at least one of their sons or daughters to settle in Israel.

Another speaker immediately pointed out that this proposal was hardly likely to help balance our demography, considering Mrs. Rom's other suggestion: to hold on to all the territories of Greater Israel with its large Arab population. Moreover, the speaker noted, with our current political demography, "half of these sons and daughters wouldn't be let in, because they are not recognised as Jewish."

I believe Mrs. Rom's proposal to be dangerous for quite a different reason.

It eerily recalls the efforts of the Crusaders to maintain a viable presence in this country. In a desperate call to Europe 700 years ago, one of their leaders wrote: "My lords, we ask for your princes and you send us your purses."

The Crusaders did not long outlast his desperate appeal. And indeed, it has long been an Arab claim that Israel will eventually fizzle out like the Crusader Kingdom.

Some 20 years ago, the late British historian, Arnold Toynbee, publicly made the case that Israel, like the Crusaders, was a passing phenomenon.

His statement caused a great stir in this country and I remember hearing Shimon Peres and the late Moshe Dayan dismissing Toynbee's claim with the argument that Israel, unlike the Crusaders, was not only getting the Diaspora's purses, but its princes, too.

OTHER SPEAKERS dwell on how our own youth is leaving the country, because they see no future in persisting in maintaining a Greater Israel by force of arms, while, as a consequence, the fabric of our lives continues to deteriorate.

"Easy money and easy virtues," as one speaker, Gideon Rafael, a former director of the Foreign Ministry, put it. "Instead of expansion we must draw our maps according to our real strength. We are in need of a national revival, restoring the credibility of government, putting our house in order and looking towards peace," he urged.

The emigration of disappointed youngsters, coupled with the spread of religious fanaticism, "which will drive ever more youngsters away," are the real demographic threats to our existence, quite apart from the Arabs who are on the way to becoming a majority in Greater Israel, another speaker noted.

Mrs. Rom and her colleagues may indeed be able to coerce some Diaspora communities into sending us their children, but there is little assurance that they will choose to stay.

Aliya must be attracted not shipped, and the potential immigrants are unlikely to be attracted until we put our own house in order and state where we are going.

So, before we turn the clock back to the Crusaders, and pass the buck to the Diaspora as they did, let us see how we can go about keeping our own princes here. They, and no one else, are our insurance that we shall no longer need to rely upon the Diaspora's purses in future. As for their princes, they will be knocking at our gates to be let in.

The writer is a member of the editorial staff of *The Jerusalem Post*.

READERS' LETTERS

ANTI-SEMITISM IN GERMANY

To the Editor of *The Jerusalem Post* Sir, - Being a non-Jew from Munich, I was deeply shocked by the postcard with anti-Semitic insults sent to the Israel Trade Centre in Munich and published in your issue of January 22. I also felt anger and shame.

However, in my opinion, it was unwise to print the postcard for two reasons:

First, you did the anti-Semitic sender a great favour by displaying his insults before a much larger Jewish audience than he could have hoped to reach.

Second, I am afraid that this contribution will give a wrong picture of West German reality to many people. By no means do I object to the necessity of unmasking signs of growing anti-Semitism and keeping them in the consciousness of the public. However, there is a great danger of generalizing such isolated incidents into an overall picture of the society where they occur.

The tiny minority of those who never learn makes a lot of noise. The large majority, who think as I do, get much less attention in the foreign (and especially the Israeli) media.

As so many of my friends who visited Munich know by experience, anti-Semitism is far from being an alarming phenomenon in today's Germany. It is worth remembering this from time to time.

STEFAN WIMMER
Jerusalem.

FAISAL HUSSEINI

To the Editor of *The Jerusalem Post* Sir, - Edward Grossman, interviewing Faisal Hussein, (his father's son - January 23), writes that the General Security Service "apparently" believes that PLO violence in Israel has proceeded only with Hussein's OK. Hussein himself tells Grossman: "This interview is part of my fight." In publishing the interview you seem willing to ignore the GSS assessment and assist him in that "fight."

Included without comment in the article is Hussein's brazen comparison of Israel to the Nazis, this in spite of the Hussein's ties to the perpetra-

tors of the Holocaust. Included is a description of the Hussein as "proud and public spirited," people who have "provided... politicians, publicists and clerics," among them Arafat, responsible for the death of thousands of innocents. Jews and non-Jews, who is described simply as "that aging phoenix." Abdel Kader el-Husseini, Faisal's father, fought to prevent the very founding of a Jewish state just two years after the near-total destruction of European Jewry yet, according to Grossman, he is "an authentic Palestinian hero."

Neve Tzuf.

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In this weekend's Ha'aretz

Towards the IDF's Shomron Era
Ze'ev Schiff

The Most Obsolete Job in the Country / Yoel Marcus

A Sick Head in a Healthy Bed Medical Equality for the chosen / Roman Priester

Wednesday at 20.25 Hours
The Workings of a Terrorist Cell
Nadav Shragal

Neighbourhood Kings
The Elphron's vs. Givat Shmuel
Ran Kizlev

Poles on Israel-South Africa • Nehemia Strasser on Economics and Astrology • Uri Nir in the Balata Camp • Shaul Tadmor on Police Invasion at the BBC • Michael Oshon on Yitzhak Greenbaum • Eli Elad in the Ma'ayan Cave
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